

# Contents

<b>1</b>	<b>Introduction</b>	<b>1</b>
<b>2</b>	<b>Reliability background</b>	<b>7</b>
2.1	The failure rate . . . . .	8
2.2	Equilibrium distributions . . . . .	14
2.3	The residual lifetime distribution and its mean . . . . .	18
2.4	Other classes of distributions . . . . .	24
2.5	Discrete reliability classes . . . . .	28
2.6	Bounds on ratios of discrete tail probabilities . . . . .	34
<b>3</b>	<b>Mixed Poisson distributions</b>	<b>37</b>
3.1	Tails of mixed Poisson distributions . . . . .	38
3.2	The radius of convergence . . . . .	40
3.3	Bounds on ratios of tail probabilities . . . . .	42
3.4	Asymptotic tail behaviour of mixed Poisson distributions . . . . .	46
<b>4</b>	<b>Compound distributions</b>	<b>51</b>
4.1	Introduction and examples . . . . .	52
4.2	The general upper bound . . . . .	65
4.3	The general lower bound . . . . .	73
4.4	A Wald-type martingale approach . . . . .	78
<b>5</b>	<b>Bounds based on reliability classifications</b>	<b>81</b>
5.1	First order properties . . . . .	81

5.2	Bounds based on equilibrium properties . . . . .	87
<b>6</b>	<b>Parametric Bounds</b>	<b>93</b>
6.1	Exponential bounds . . . . .	94
6.2	Pareto bounds . . . . .	97
6.3	Product based bounds . . . . .	100
<b>7</b>	<b>Compound geometric and related distributions</b>	<b>107</b>
7.1	Compound modified geometric distributions . . . . .	108
7.2	Discrete compound geometric distributions . . . . .	114
7.3	Application to ruin probabilities . . . . .	129
7.4	Compound negative binomial distributions . . . . .	132
<b>8</b>	<b>Tijms approximations</b>	<b>141</b>
8.1	The asymptotic geometric case . . . . .	141
8.2	The modified geometric distribution . . . . .	147
8.3	Transform derivation of the approximation . . . . .	148
<b>9</b>	<b>Defective renewal equations</b>	<b>151</b>
9.1	Some properties of defective renewal equations . . . . .	152
9.2	The time of ruin and related quantities . . . . .	159
9.3	Convolutions involving compound geometric distributions . . . . .	174
<b>10</b>	<b>The severity of ruin</b>	<b>183</b>
10.1	The associated defective renewal equation . . . . .	183
10.2	A mixture representation for the conditional distribution . . . . .	186
10.3	Erlang mixtures with the same scale parameter . . . . .	192
10.4	General Erlang mixtures . . . . .	198
10.5	Further results . . . . .	205
<b>11</b>	<b>Renewal risk processes</b>	<b>209</b>
11.1	General properties of the model . . . . .	210
11.2	The Coxian-2 case . . . . .	216
11.3	The sum of two exponentials . . . . .	224
11.4	Delayed and equilibrium renewal risk processes . . . . .	226
	<b>Bibliography</b>	<b>235</b>
	<b>Symbol Index</b>	<b>243</b>
	<b>Author Index</b>	<b>245</b>
	<b>Subject Index</b>	<b>248</b>